

# 2020 SIX-MONTH SHORT PLAN YEAR GRACE PERIOD EXTENDED!



On **May 12, 2020**, the IRS issued a notice allowing employers greater flexibility when administering Flexible Spending Accounts due to the COVID-19 pandemic. The Statewide Benefits Office has made the decision to extend the Grace Period for the six (6) month Short Plan Year from September 15, 2020 until **December 31, 2020**.

## What does this mean for my FSA?

This means employees will now have the time period of **January 1, 2020 through December 31, 2020** to incur eligible Health Care FSA and Dependent Care FSA expenses for reimbursement using their short plan year funds.

Claims for expenses incurred during this Grace Period will be paid from the oldest year's funds first unless you request otherwise. The deadline to submit claims for the six-month Short Plan Year is **January 30, 2021**.\*

*\*As per a final IRS rule released on April 28, the deadline to submit claims may be extended through the full period of the National Emergency plus an additional 60 days. **At this time, we do not know the ending date of the National Emergency.***

**Please Note:** You must be an active FSA participant as of **June 30, 2020** in order to participate in the Grace Period. Employees who terminate employment or end their participation in the Flexible Spending Account prior to June 30 do not have the advantage of the Grace Period.



**Questions?** Call **1-800-489-8933** for a Customer Service Specialist.